

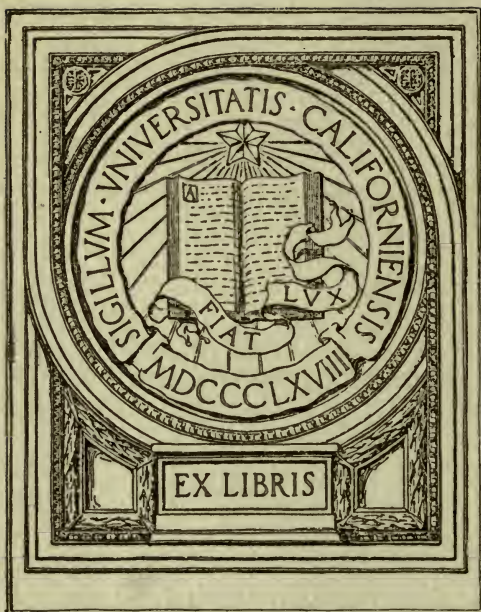
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A Protective Tariff imposed on imported articles which can be produced in the United States, secures more work and better wages to American labor.



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Address delivered by MORRIS M. ESTEE, on  
March 31st, 1894, before the Midwinter Fair  
Congress of Economics and Politics.



# The Midwinter Fair Congresses

UNDER THE AUSPICES OF THE

California Midwinter International Exposition.

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## Congress of Economics and Politics.

The first session of the Congress of Economics and Politics will be the occasion of the formal opening of the general series of Congresses. The exercises will begin at 8 P. M. of Thursday, March 29, with an address of welcome by James D. Phelan, President of the Executive Committee, followed by an opening address by Prof. Bernard Moses of the University of California. President E. Benj. Andrews of Brown University, Rhode Island, will then speak on "The Monetary affairs of the United States," which will be followed by general discussion. On the evening of March 30th, President Andrews will speak on "England's Relation to the Monetary affairs of India." General discussion by local speakers will follow. On Saturday evening, March 31st, Prof. C. C. Plehn of the University of California will read a paper on "The Organization of Labor in California," and *Hon. M. M. Estee will speak on the question of "A Protective Tariff Imposed on Imported Articles which can be Produced in the United States, Secures More Work and Better Wages to American Labor."* Other speakers will take part in the general discussion that will follow. The second series of meetings of this Congress will be held on the 26th, 27th and 28th of April. Details for this session have not been completed, but among subjects that will receive consideration are: "Economic Changes Due to Improved Facilities of Transportation," "Money and Banking," "Questions Relating to the Economic Development of California," "History of the Controversies on the Questions Now at Issue between Leading Political Parties," "Charities and Corrections," "Industrial Statistics." The committee in charge of this Congress consists of Prof. Bernard Moses (Chairman), Prof. C. C. Plehn, Prof. E. H. Ross, Wm. H. Mills, Horace Davis, Arthur Rodgers, John P. Irish and Prof. A. G. Warner.

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## ADDRESS.

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### **A Protective Tariff imposed on Imported Articles which can be produced in the United States, secures more work and better wages to American Labor.**

Labor creates all that civilized man most needs, and the value of the products of labor is largely controlled by the value of the labor that produces them. Supply and demand, the customs of the country in which the workers live, the necessities of those who work, the markets for and value of the products of labor, all contribute to fix the value of labor itself. This being so, the point is, can we maintain the present price of labor in the United States without enlarging the number and variety of our industries, and thus increase the opportunities for work? Our country is becoming older, our population is increasing, and our territory is not being extended. These facts must soon be considered by the American people. It is undoubtedly true there are fewer pursuits to follow in old and populous countries than in new and more progressive countries. This is so, because in new countries there are fewer people to the same extent of territory, more undeveloped resources, and therefore more for man to do.

In the populous countries of the old world, the laborer works only for an existence, while here he works for and expects to earn a competence, become independent and cease to be a worker for others. There, he has no hope of a change for the better or for increased opportunities to improve his condition. Here he is ambitious, because he knows if he labors faithfully he is certain of success.

From Biblical times until now, the laborer has been "worthy of his hire," and all people agree that labor is honorable and necessary to man's existence; yet in the older civilizations, and especially in the rich and populous centers of Europe, the workers are a separate and distinct class. Socially, the most worthless soldier outranks the best worker. No man, whether he be a common toiler, a skilled mechanic, or a manufacturer (however honorable, wealthy or intelligent he is) can hope in those countries to receive social recognition by the so-called ruling classes, while in America the workers as a political force are the ruling classes. In those old monarchical countries there is a wall built up between the laboring and all other classes of society, which, strangely enough, prevents the producers of the world's wealth from ever meeting as equals the men who produce nothing. Thus, in European countries, the social standing of the man who creates the most is lower than the social standing of the man who exists upon what other people create, and who is a mere drone in the hive.

*The peculiar advantages to the workers and producers of our country* which our natural resources and our form of government secure to the masses of the American people, give to Americans a manliness and an independence which no other people possess. Here, intelligence and character have a financial, social and political value. And this is so because here the humblest man who walks has a voice in governmental affairs. He is one of the units of the body politic, and a part of the government itself. Lower the standard of that unit and you lower the standard of the government. He is one of the people, and as our government is a government of the people, when you injure or debase the people, the government falls. And so if we want good government we must have independent manhood.

The vastness of our country, its undeveloped resources, the broad field open to aspiring and ambitious youth, and the large variety of pursuits to follow (with the possibility of political preferment always in view), make every American, whatever his calling, ambitious, proud and independent.

Add to this the fact that our free school system has brought enlightenment within the reach of all the people, and we can then understand why American laborers will not patiently accept, as do the laborers of foreign nations, starvation prices as a reward for their toil. Our people are a part of the government. They know it, and they demand some of the rewards of the government, namely, governmental protection of what rightfully belongs to the American people. For these reasons, among others: *there is not now, nor will there ever be, an American peasantry*; nor will class distinctions exist in the United States while the people remain free. It is therefore argued that all national legislation fixing protective duties on articles made in foreign countries, and brought here for sale, must have in view the interests of American labor. It should be remembered that under present conditions, the wageworker of to-day may to-morrow be a capitalist, or manufacturer, a social or political leader. And this incentive to advancement is, in a free country, wise and necessary, so that every man who works may be ambitious. At least he should be made secure in the best possible rewards for his labor. If this is done, each citizen is given, not only the power to help himself, but the opportunity to create a better fortune than he has ever before possessed; because, in a free country, business prosperity among the people means the governmental prosperity of all the people. We hear much about paternal governments, and that the government is not intended to help the people get on in the world. In the sense that the government cannot directly feed and clothe the people, this is true. But in the broader and higher sense—that the government is of the people, and for the people and is created and maintained for the benefit of our people only, it is and should be paternal. Those who most strongly inveigh against paternal governments are usually men who do not themselves work, and who thus live off of other people's earnings.

*The situation of the workers of America differs so widely from that of any other country, that it becomes necessary for the creators of the wealth of the nation to have a fair share*

of the products of their creation. And this becomes clear to the thoughtful mind when it is remembered we have a different home life from that of any other people. Americans have more luxuries, more comforts, and infinitely more and greater necessities, than any other people in the world. Having these, they must earn more money to meet the demand which this mode of life imposes upon them, and this mode of life is as necessary to the American people as is the air they breathe. Without it, they could not be either free or independent.

There was never a truer statement than that made in Congress, by Mr. Reed of Maine, when he said the difference in wages in the United States over other countries meant difference in living. We repeat, no other people live so well, as do the Americans, and you cannot change their mode of living without revolution. You cannot put a free, well-to-do and intelligent people into the gutter, unfed and unclothed, without revolution. You cannot give to foreign peoples the labor which rightfully belongs to Americans without imperiling the peace of society and the safety of the State. Nor can you reason with men as to their duty to law, to good order and to the rights of others, when their rights are imperiled; for it is every man's right to honestly earn his bread by his toil, and he must have labor if he earns his bread.

*Americans are free because they are able to take care of themselves financially as well as politically.* They are capable of self-support and they are therefore capable of self-government. Once take from the American laborer the opportunity for regular employment and good wages, and he will become dependent financially, and be a machine politically. And thus it is all important that the prosperity of the industrial classes shall be permanent and secure. To make it so we must protect American markets, American products and American labor against unfair foreign competition.

The temptation to foreign producers to reach for and control the American markets, and for foreign cheap labor to supplant American dear labor, is great, and it is most diffi-

cult to overcome. And this is so because the resources of the United States are peculiar, varied and illimitable. We are every day developing them, and other and foreign peoples are endeavoring to drive out our own labor in making these developments, and thus the whole world is contesting for the labor prizes of America. Shall we surrender these prizes to them, or retain them for ourselves and for our children? This is the problem of the hour. True, the wonderful resources of our country were here before civilized man was here, and are now being developed only by the might of our civilization, and the sleepless industry of our people. The question then is, shall we put a brake on the wheels of American progress by adding to it a foreign load that we cannot carry, or shall we move on in the lines of *American civilization* by sustaining *American labor* and promoting *American enterprise*?

The prosperity of America was never more conspicuously noted than in the "Fortnightly Review," an English journal, of December, 1893, where it was said:

"America has for many years enjoyed an amazing degree of prosperity. So much so, that to use the words of Edmond Burke, 'generalities which in all other cases are apt to heighten and raise a subject, have here the tendency to sink it. Fiction lags after truth; invention is unfruitful, and imagination cold and barren.'"

*It is a fair inquiry to ask what has caused all this prosperity? The answer is labor, continuous and well rewarded labor.* For the past thirty years we have maintained a protective policy. That is, we have legislated in favor of the worker. The value of labor under that policy has largely enhanced. The undeniable result has been that wealth never accumulated so fast, our population never increased so rapidly, and during the same time we have paid more of our debts (public and private) than have any other three nations of the civilized world. Look at the map of the Republic and note the change. The great west has been settled, new states have been admitted into the Union, four continental railroads, at a cost of more than two hundred millions of dollars, have been constructed, our educational opportunities have been

multiplied, most of our cities have trebled their population, our commerce with foreign nations has more than quadrupled, and our position among the other great powers of the world has advanced from the second or third class to the first.

*It is claimed that much of this great prosperity is attributable to the variety, abundance and cheapness of our raw materials.* How can this be so? Our raw material has always been here. It is the conditions which recently surround us which have made us rich. Continue those conditions and our people will continue to prosper. There is no raw material which does not require labor to prepare it for man's use. Labor produces and fashions all materials, raw or manufactured; and in the fullest sense, labor alone creates. Raw and unfashioned material is but a small part of the value of products. In fact, if we go through the whole field of production, if we take every known manufactured article and combine them together, we find that fully 85 per cent. of their cost is in the labor bestowed upon their manufacture, or production, and with most articles in common use, at least 90 per cent. is in labor and not more than 10 per cent. of the value in raw material.

No one can fail to note the effect on the prosperity of a country where all the people are employed at good wages. If this be true, and it is open to demonstration, then the whole scheme of protection to American products is *one of work and wages for American labor.* The whole question of good or bad times depends on work and wages. Money is always organized and can take care of itself, because it can hide from impending disaster. Labor, though often organized, cannot hide. It is a fact that the making of money and its wise and successful use in business affairs depends on how successfully labor can be employed by the use of money; and this is true because *it is the vast number of small incomes, and not the few large incomes, that make a nation rich and powerful.*

*Steady and remunerative employment secures peace and good order to society, and property is thus made safe.* No free people will long be peaceful where the masses of the people

are dissatisfied with their lot. It is true some people are always in a state of discontent, but the masses are satisfied when they are employed at fair wages. The home life of the people is thus made happier; there are fewer criminals and less crime; there are fewer beggars, and less penury and want. It should, therefore, be the settled policy of the nation, so far as protective laws can accomplish that purpose, to secure to the American people steady work and good wages.

The prosperity of our people under the protective policy of our country is apparent, when it is observed that the number of persons employed in the manufacturing industries of the United States increased from 2,732,595 in 1880 to 4,711,832 in 1890, and the amount of wages paid increased from \$1,334,869,470 in 1880 to \$2,282,823,265 in 1890. These statistics tell their own story.

In an article from Mr. Cramp, published in the April number of the *North American Review*, it is stated that ninety-five per cent. of the total cost of a ship is in labor. That England is the greatest ship building country in the world, that she is jealous of America's push in that direction, and that she is now making great efforts before the present Congress to have ships put upon the free list, so that she can build our ships for us. It will be noted also that from 1792 until now foreign built vessels have not been allowed American register. That this step on the part of our national legislators, if taken, will be of great injury to the laboring people of our country; will deprive us of one of the most splendid industries of the time; will be unpatriotic and un-American. In a word, it would take from our people just so much work and give that work to English laborers.

The following statistical statement, presented in that article and taken from the leading ship building yards of England and America, shows the present price of labor in the ship building trades of both countries:

| TRADE.                    | BRITISH.              | AMERICAN.             |
|---------------------------|-----------------------|-----------------------|
|                           | Rate of weekly wages. | Rate of weekly wages. |
| Patternmakers.....        | \$9 00.....           | \$18 00               |
| Machinists.....           | 8 50.....             | 15 00                 |
| Riveters.....             | 7 50.....             | 12 00                 |
| Calkers and Chippers..... | 7 80.....             | 15 00                 |
| Beam and angle-smiths.... | 8 40.....             | 15 00                 |
| Holder-on.....            | 4 20.....             | 9 00                  |
| Fitters-up.....           | 7 80.....             | 15 00                 |
| Ship carpenters.....      | 9 60.....             | 18 00                 |
| Joiners.....              | 9 00.....             | 16 50                 |
| Painters.....             | 9 60.....             | 18 00                 |
| Ship shed machine men.... | 7 20.....             | 15 00                 |
| Furnace men.....          | 6 00.....             | 10 80                 |
| Riggers.....              | 7 20.....             | 11 00                 |
| Plumbers.....             | 9 60.....             | 19 50                 |
| Drillers.....             | 6 40.....             | 11 00                 |
| Sheetiron workers.....    | 8 50.....             | 15 00                 |
| Coppersmiths.....         | 8 60.....             | 18 00                 |
| Molders, iron.....        | 9 00.....             | 14 50                 |
| Molders, brass.....       | 9 00.....             | 15 00                 |
| Laborers.....             | 4 20.....             | 8 00 to \$9.          |

Says the author:

“The comparison tells its own story. Brushing aside sophistry and cant, we have in front of us a plain proposition, the logic of which no man can evade.”

We submit it is not all a sentiment that ships which carry the American flag should be built by American labor. Primarily they may cost more when built in America and by American labor, but in the end they will cost less, because if we build our own ships in time of peace, we will be independent of foreign powers in time of war. And again, we will furnish our own people with labor, utilize our own material, encourage our own enterprises, dignify labor and exalt patriotism, and above all, we will keep abreast of the best inventive thought of our time; we will know how to do well what we do; and we will make the best ships that float, and thus maintain the honor and glory of our country on the sea.

*The vice of the position taken by the free traders of our country rests largely in the fact that they endeavor to divide the American people into two classes, namely, those who consume and those who produce. And what is anomalous, they are more anxious to care for the consumer who does not work, than for the consumer who does work. They forget, or seem to do so, that all worthy citizens are both consumers and producers; and while some produce one thing and some another, and some consume one thing and some another, yet all are consumers and nearly all are producers. And it is another undeniable fact that if you pay a man well for what he produces, he consumes more of what others produce, and the people generally prosper.*

It is therefore the part of wise statesmanship to see to it that those who produce the most of the wealth of the country should be sustained by the laws of their country. This government is not maintained for the benefit of foreign peoples, nor do foreign peoples contribute to our national greatness; nor should we encourage the immigration of foreign cheap laborers, because they supplant our own people in our own industrial market; nor should we encourage the importation of what such cheap laborers produce at their homes in foreign countries, when such productions compete with our own. This is an American government, established by and maintained for Americans. We are isolated from the rest of the world, and we are therefore largely dependent on ourselves. It behooves us, therefore, to secure to the workers of this republic regular employment and good wages, before we invite others to take their place or reap their rightful rewards. Remember our public lands are well nigh exhausted; there is no new West to settle up; there are no distant and uncivilized countries for Americans to migrate to. We have reached the western shore of the continent. Beyond is the sea. New, and to some extent alarming, conditions confront us. The restless spirits of our country and the more restless spirits of foreign countries now among us, must soon turn back on their track; other fields for labor must be open to them, or more ample opportunities for work

created in the old fields. And so it should be the settled unchangeable policy of this nation to encourage new and sustain old American enterprises, and because the more numerous and varied our industries the more there will be to do.

Note the effect of regular employment upon the wealth of the nation. Statistics show there are from 19,000,000 to 20,000,000 of laboring people in this country, men and women; that each worker supports two people besides himself, and his average earnings are about a dollar and a half a day, making \$28,500,000 a day if all are at work. But if only three fourths are working, this must be cut down one fourth, or say \$7,125,000 a day. Hard times are then inevitable. Let 25 per cent. of the laboring people be out of employment, or (being employed) lower their wages 25 per cent. and it makes a daily difference of \$7,125,000 or \$185,250,000 a month, or \$2,230,125,000 a year. That makes just the difference between hard times and good times. Over 25 per cent. of the American people are now out of remunerative employment. *Why are they out of employment? Tariff tinkering and the threat to change our protective laws has done much of this.* And it has done this, because it has frightened capital from investment, curtailed manufacturing by shutting down our mills, and thus lowered the price of labor and of the products of labor, and thereby decreased the amount of labor performed as well as its value. Confidence is thus destroyed because prices are unsettled.

*But some say, why does not the government issue more money—that will remedy the evil.*

The making of more money by the government will not of itself remedy these conditions. Money when issued cannot be given away. *The people must have something to do that they may earn this money.* And again, unless the government issues *the right kind of money* and uses it for the right purposes, it will never reach the people. It is the free circulation of money honestly earned by the people, that makes them prosperous, whatever the kind of money. If our money should be confined to gold (which poor

people rarely see and which never pays for a loaf of bread or a laborer's shirt), then we would have dear money because we would have less money and scarce money, fewer enterprises would be established and a less demand for labor inevitable. Then the man who owed debts previously contracted would be compelled to pay them in a kind of money which had a greater purchasing power than that which he borrowed. It would result in fewer investments, less work and less pay for work. But aside from that, it is dishonest. Indeed, the man who buys a bushel of wheat to be delivered six months thereafter weighing 60 pounds, and at the end of six months insists upon being paid in a bushel of wheat weighing 70 pounds, is no worse than the man who loans money this year (when gold and silver are money) and in the meantime demonetizes silver (which constitutes one-third of our money), thus largely increasing the purchasing power of gold, and then demands payment in gold only.

But withal, it is the circulation of money which makes good times, and money will not circulate when there is a want of confidence any change in the revenue laws of our country or in its monetary system causes a want of confidence, because, as stated, values are affected thereby. At this time money has been frightened from investment by the oft-repeated threats of a change in both our monetary and in our tariff laws. In fact our government has recently informed the world that a protective tariff was a fraud, was unconstitutional, and should not be maintained in America. An election was had and the American people sustained that fallacious and destructive doctrine. The whole of America knows the result. No new industries are now being established; old ones are either shut down or run on half time; wages are lowered; the working people are unemployed; and hard times have resulted. We had good times under former conditions. We have bad times now. Which condition is most likely to be right?

All true lovers of our country must believe that, in view of the recent industrial depression, the protection of American labor should be a national rather than a party policy.

Then the success or the defeat of a party would not, in any great degree, affect the industrial prosperity of our country. It is true, political parties are agencies for good, and they exist only in free countries, but there are some few questions, political in their character, of such paramount importance, that they become nationalized. The labor question is one of them. The internal policy of our country, which so largely affects our industrial success, ought to be freed from the frequent changes which the possible changes in administration might inflict upon our country.

*The argument that only a part of the laboring people are benefited by a protective tariff*, because only a part of all the laboring men of our country work in protected industrial lines, is no answer to our contention. Almost all competitive articles of American production have been more or less protected in the past; and you cannot furnish labor to a part of the people, who otherwise would not have remunerative employment, without benefiting all of them. Take a community where there is one successful enterprise, and the whole community will be benefited. If a few men earn good wages, the infection reaches every wage-worker, and prosperity prevails. Nor can you find an instance where the most of the people make more money than they expend, but what the whole community is benefited. Trouble comes when a large majority of the people earn less than they require for their daily needs.

It is axiomatic that a part of the money paid to one's neighbor for what he produces, and which you must buy, comes back to you; but that money paid to foreign producers goes out of the country and never returns. It is equally axiomatic that people cannot consume what is produced by others, unless they are able to pay for it. And they cannot pay for it unless *their* labor is also rewarded: That is, they must find a market for what they produce,

The inquiry may be justly made: Why should not American markets belong to us as much as do our laws, or our civilization? There can be no question but what free trade in the products of labor means *free trade in labor it-*

*self.* And free trade in labor means a *uniform price of labor everywhere.* In a word, with free trade, we will sooner or later have in the United States, substantially the same price for labor as exists in Europe, in China, and in India. This will be inevitable because the products of labor will have the same price, and so our progress will be stopped, for our people will become poor, our freedom will be lost as the freedom of our other peoples has been lost before us, and our civilization will be turned down in the world's history, because when a people are not protected by the laws of their own country. nothing is left to them but retrogression.

*A half starving man never has been, never can be, and never will be, a free man.* Independence and manhood come with his ability to care for himself. Once make him dependent and he is servile. Make him financially independent, and though he has but one dollar, he will be free. Our form of government differs so widely from that of the old monarchies of the world, that we *must have* a different civilization. Our people must be self-sustaining to be self-governing, *and when they cease to sustain themselves independently, they will cease to govern themselves wisely.*

The great danger to a Republic is when for some overshadowing reason, honest and peaceful men violate the law and disturb the peace of society. Criminals are expected to do this; honest men and good citizens but rarely, and then only when they are led to believe the injuries they do are not as great as the wrongs they suffer. Let us convince the world that American citizens shall suffer no wrongs which just American laws will not remedy.

It appears that, from 1853 to 1893, 5,149,890 British immigrants came to the United States. Most of these were able-bodied workers. They left the home of free trade, "where wealth accumulates and men decay," and came to this land of freedom and protection. Why did they come here if free trade benefited the laboring man, for they left a free trade country?

It also appears that in a population of 37,879,285 people in Great Britain, nearly one million were paupers, or to be

exact, 945,686; while in the United States, with a population of nearly 65,000,000 in 1890, there were but 66,578 white paupers and 6,467 colored paupers. To-day there are a million of our people in want.

In view of these facts, is it not wise statesmanship to make such laws that the deserving poor can care for themselves? Give men fair wages, widen the field of employment, enlarge our market at home, by protecting it against unjust foreign competition, pay the worker good wages and we will never have a large number of poor people. No man wants to be poor, and no man, or very few, want to be idle. If the field of employment is always open to those who are anxious to help themselves, there will be few indeed whom the community will have to help.

*Diversified industries are a necessity to the American people.*

Without this condition, there can be no prosperity. We must make many things and make them well. The history of civilization shows that the freer and more enlightened a people, the more varied and abundant their productions. The more we make at home, the less we will need to buy abroad, and thus we will give our own labor a better opportunity for work, retain our money here, encourage enterprise, inspire invention, be more independent in time of peace, and more self-sustaining in time of war.

For instance: If by leaving our tin industry unprotected against the importation of foreign made tin, 50,000 laborers are compelled to seek other employments, we overstock the labor market in other lines, and we (the consumers), by paying our money to foreign labor, send it out of the country, and at the same time have one less American industry and do away with American competition, which competition is necessary to keep prices down. It is admitted that Americans are greater consumers than any other people, and that the American market is the best market in the world and the most in demand by foreigners. It is the best market because labor is better paid here than anywhere else, and therefore the masses of the people have more money to spend and spend more money than do any other people.

*When you open our ports for the free entry of the products of cheap, foreign labor, then you, in effect, open our ports for cheap labor itself, and the price of our labor must come down to the price of foreign cheap labor. What is the difference whether Chinamen make shoes, common clothing, or cigars on Sacramento street, in San Francisco, or in Hong Kong, if no protective duties are imposed on what they produce abroad? In the one instance this foreign labor competes with American labor as much as in the other. This is the logic of truth against which there can be no successful denial.*

*It is the contention of the consumers who do not work, and of the importers who rely upon their trade with foreign countries as a business, and of a limited class of American employers of labor, that cheap labor is necessary to American progress; that because labor is cheap in other countries it should be equally so here; that if labor is cheap in the United States the products of labor will be cheap; that hence, we can buy for half a dollar as much as we can now purchase for a dollar; that the whole scheme equalizes itself and the laborer is not injured thereby, for the reason that he can purchase more of what he consumes for the same amount of money, and that the consumer who does not work is greatly benefited because he gets what he buys cheaper.*

This position is not true. On the contrary, the best experience of the civilized world is that where labor is cheap and where of necessity the products of labor are cheap, the opportunities for the laborer to get regular employment are not as great as in countries where labor receives better compensation; and that good wages paid to labor put more money in circulation and makes good times for the people. Take England, Germany, Russia, Italy, France and Spain. While the price of labor in those six countries differs considerably, yet in all of them, as compared with the United States, labor is cheap. And while it is true that they can buy clothing, as a rule, cheaper there than here, yet in every one of those countries the main expenditure, namely, food, is much dearer than in the United States, for the reason

that there the population is more dense, the land is more valuable, and as land becomes more valuable the products of the land command a better price in the market. This being true, the laborers expend their whole income for food; their life is a hopeless struggle for existence.

Labor is better paid in France than in Belgium, Germany, Italy or Spain and contiguous countries. France is a freer country than either. France opposes the introduction of foreign labor and strives to keep it out. On the 17th of August, 1893, many Italians having gone to the south of France to work, the French laborers there rose *en masse* to drive them away, and ten Italian and five French laborers were killed. This action was barbarous and must be condemned by all right thinking people; but the lesson is an instructive one. Mr. Chas. H. Whiley, Jr., U. S. Consul at St. Etienne, France (see Consular Report of February, 1894), referring to this occurrence, said:

“The law of supply and demand has given to French workingmen a remuneration much exceeding that which is paid in similar employments in Belgium, Germany, Italy and Spain.”

Such are among the causes of the present price of labor in the United States. It is in part a question of supply and demand, and there will be no demand for labor if we allow wealthy American consumers to buy abroad what should be made here. American labor is dear now; foreign labor is cheap; but the moment you give the foreign products of cheap labor an even chance in an American market with the American product of dear labor, the result is inevitable; the prices of labor and products must then both come down.

*Trusts and combines are charged to protective laws*, and yet it is said to be a fact that eighty-one per cent. of all American manufacturers are men who learned their trade and were journeymen in the very business afterwards carried on by them as manufacturers; that they commenced manufacturing after they had saved enough to do so by working at their trade; that they sprang from and belong to the ranks of toil. For these, among other reasons, there is no fear of injury to

the people in America by American trusts or combines in manufacturing enterprises, or by organized capital in those pursuits, because they are under the control of American law, and restrained by American public opinion. What we do fear, is the effect of foreign trusts and combines in the manufacture and sale in American markets of what America does not produce but which, if protected, we can as well produce. These trusts and combines are beyond our reach; they would thus regulate the price of manufactured products in American markets; and when we buy their products we take money out of our own country and pay it to people who have no interest in American progress, who pay no taxes here, who bear none of the burdens of our free, but necessarily expensive government, and who maintain at their home, trusts and combines which are beyond the reach of American law or American public opinion.

It is submitted, the combination of foreign capital is infinitely more dangerous to American consumers than is American capital. For instance, note the present position of some of the foreign monopolies of which we hear nothing. Mr. Frank Mason, our Consul to Frankfort, reports in the February number of the "Consular Reports" of date January 12th, 1894 (page 353), that the Frankfort manufactories of aniline dyes, for 1893, paid dividends of 26 per cent. per annum, and yet labor is cheap there. If any protected factory in our own country paid such dividends, we would never hear of anything else until that article was placed on the free list.

So also, speaking of the German sugar mills, the same authority says:

"From a long official list of declared dividends, it appears that they range from seven to thirty per cent. per annum of the invested capital, and in some cases, even the latter figure is surpassed."

And again it appears in Kuhlan's German Trade Review, that—

"The sugar factory at Nordtermann, with a capital of 525,000 marks, showed a net profit (for 1893) of 211,151

marks, and the factory at Nordheim with 1,050,000 marks capital, net, earned for 1893, 403,588 marks," being about forty per cent. per annum profit.

It will thus be observed we make nothing by opening wider the channels of American trade with foreign countries, if done with the hope of punishing trusts and organized capital at home. We thereby only furnish work for foreign labor and investments for foreign capital, and both are done at our own expense.

*I do not believe protection to American industries will alone accomplish all things, but it will do much. One thing is certain—whatever national policy will keep the largest number of the American people at work for fair wages, that policy is the best policy. That the more we produce at home, the less we buy from abroad; the more work there will be to do here. That American labor, like American markets, should be made secure to the American people. That the labor market, like all other markets, is always supplied and anticipated a year in advance. No manufacturer makes goods or employs labor at haphazard. He first figures on the cost to him of the manufactured article, and then looks for a place where he can sell this product at a profit. And if, from the uncertainty of legislation in relation to an imported article, competing with him, or of financial stress in the home or foreign markets, he cannot sell his goods at a profit, he ceases to manufacture them, and the laborer is thus left without employment. And when for these, or any other reasons, one factory is closed, others follow in line, and what at first is only sporadic action, soon becomes general. Labor cannot find employment, hard times intervene, and the matter thus ends in a permanent injury to the man who works for his bread.*

As an instance of what effect the labor question has on the finances of a country, we need but refer to the savings banks of the State of New York for 1893. The amount of money withdrawn from those banks for that year, in excess of the deposits, was \$34,518.091; while for the year 1892, the deposits were \$24,000,000 more, and the withdrawals

\$27,000,000 less, making \$51,000,000 difference in two years. And this was largely wage-earner's money.

There can be no answer to these facts except that it is a period of hard times. But what causes hard times except the want of remunerative employment? Set every man at work, start up every machine, fire up every furnace, plow every acre of land, and confidence will take the place of distrust and unrest; every bank will open its doors, property will enhance in value, beautiful and comfortable homes will be constructed, new towns will be built, and old ones will increase in population and wealth; the poor will live in comfort and the rich will contribute from their abundance to the general prosperity of all.

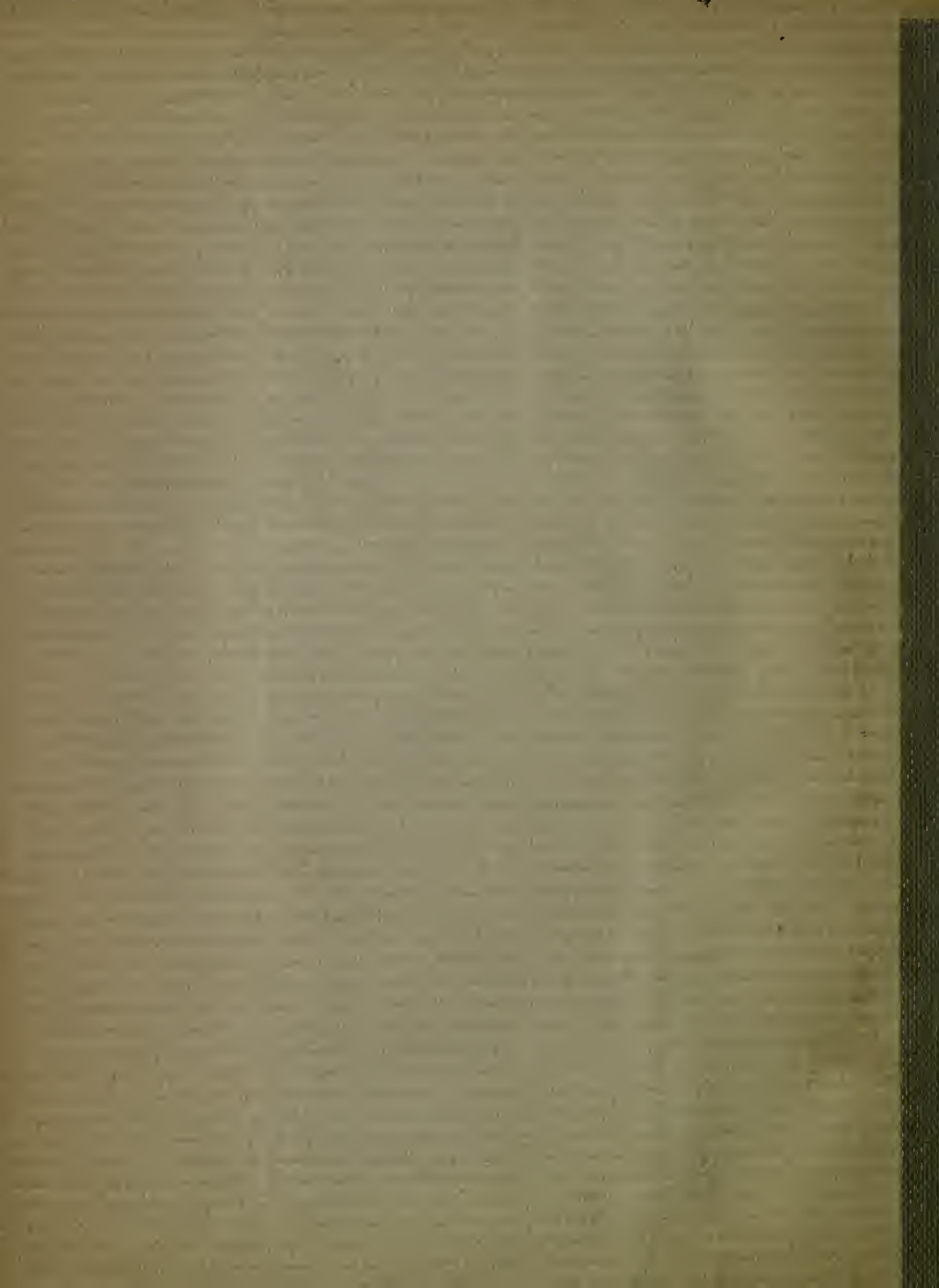
*In conclusion*, we need but say, our first duty is to ourselves, to our own people, to our own country. The masses of the Americans are workers; by their industry they have extended our civilization westward to the Pacific Ocean. Along this great pathway they have built cities and connected them by highways of steel; they have opened up new channels of commerce by land and sea. By their inventive genius and untiring energy, they have sent new thought on electric wings to the remotest parts of the world. By their splendid industrial achievements they have accumulated more wealth, done more good to themselves and to their fellowman everywhere, than have any other like number of people on the habitable globe. And thus, through the arts of peace they have made our country great, while in war, they have defended its honor.











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